

California Asks Bush For Offshore Oil Buyout

SACRAMENTO, Calif., May 31, 2002 (United Press International via COMTEX) --

President Bush's decision this week to buy up the mineral rights to offshore oil leases off the Florida Everglades brought a quick response from California Gov. Gray Davis who asked the president Friday for a similar deal for his state.

In a letter to the White House, Davis said the Everglades agreement demonstrated a "concern for Florida's Gulf Coast resources" on the part of the administration that should be extended to California's picturesque and pristine coastline as well.

"Like Florida, California has oil and gas leases off its coast," Davis wrote. "By providing for federal funds to buy out the 36 undeveloped federal oil and gas leases off the south-central coast of California, your vision of coastal protection can be extended to our state."

The president announced Wednesday that the federal government would spend \$235 million to buy back the oil and natural gas rights for an area off the coast of Florida in order to help protect the fragile Everglades ecosystem.

The deal was seen as a significant victory for environmentalists and for Florida Gov. Jeb Bush, the president's brother, who is running for re-election.

Davis, who also faces a re-election vote in November, called on Washington to strike a deal that would eliminate the possibility that the three dozen leases off the Santa Barbara coast would some day be opened up to drilling.

The lease tracts, which have not yet been developed, are estimated to hold 1 billion barrels of crude oil and 900 million cubic feet of natural gas. Eleven oil companies paid a combined \$1.3 billion for the drilling rights on the tracts.

California governors have generally opposed expanding offshore drilling since the disastrous 1969 blowout of a well that resulted in massive contamination of the Santa Barbara coastline that sent black gooey tar to the beaches up and down the state.

As a result, California has a mere 27 offshore platforms in operation, the majority of them off Santa Barbara and Ventura counties.

The 36 leases Davis wants the government to buy back have been the subject of a legal battle between the state and the Department of the Interior, which recently re-issued the leases despite the fact that Davis said the leases were "absent the legally mandated

review under the Coastal Zone Management Act and the National Environmental Policy Act."

Davis, a Democrat, told Bush that a buyout would settle the dispute and would be seen as a significant environmental gesture both in California and the rest of the nation.

Davis wrote, "By providing federal funds in an expeditious manner, you can bring about a constructive resolution to this issue, and demonstrate to the American people that you are equally concerned with the beauty and fragility of California's Pacific Coast as you are with Florida's Gulf Coast resources."

(Reported by Hil Anderson, UPI Chief Energy Correspondent)
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